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## **News from the Division of Grants Administration**

### **Sequestration Update**

On Wednesday, January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, "fiscal cliff" legislation that avoids a variety of tax increases and spending cuts. This legislation did not address the issue of sequestration except to postpone by two months the date that the sequestration process is scheduled to go into effect.

According to most projections, if sequestration does go into effect in March 2013, budget cuts would be less severe than those that were projected for a January 2013 sequester. However, until Congress and the president take action to finally address the issue of sequestration and the federal fiscal year 2013 appropriations, nothing concrete *is* known about whether or how budget cuts will affect Texas local educational agencies (LEAs).

The Texas Education Agency (TEA) will communicate guidance from the US Department of Education as soon as it is received. In the meantime, as LEAs prepare their budgets without knowing whether funds could be cut, TEA reminds all LEAs that the top planning priority is provision of services and meeting of program requirements.

If you have any further questions regarding sequestration, email the Office of the Chief Grants Administrator at [GAFPC@tea.state.tx.us](mailto:GAFPC@tea.state.tx.us).

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